Earlier, during the hearing, Counsel had very roughly calculated the value of the plaintiff's claim to be well over RM100,000. However, even should this amount be less than RM100,00 this Court would readily grant the defendants leave (if sought) as this case involves principles of importance and a decision of the Supreme Court be to public advantage.

S. YUVARAJAN S/O SREEAMULU & ANOR.

v.

ANTHONY A/L MARTIN MANIKAM

HIGH COURT, SHAH ALAM
DATO' RANITA HUSSEIN JC
[CIVIL SUIT NO. 22-518-93]
20 MAY 1994

INJUNCTION: Application by plaintiff for an injunction to restrain defendant from infringing the plaintiffs' trade mark and from passing off goods - Damages-Adequacy of-Balance of convenience.

TRADE MARKS: Application by plaintiffs for an injunction to restrain defendant from infringing the plaintiffs' trade mark and from passing off goods - Whether defendant infringed trade mark of plaintiffs' - Section 38 of Trade Marks Act 1976 - Whether defendant guilty of passing off - Whether get up used by defendant deceptive - Defendant alleging that plaintiffs' current mark not the original trade mark registered - Serious issues to be tried.

The plaintiffs were the registered proprietors of the trade mark "Chop Sipoth" in relation to their trade in sarongs and had established a substantial reputation in their trade mark and get up,having been in the trade for the past 39 years. The defendant had only recently entered the sarong market and submitted an application on 3 March 1993 for the registration of the trade mark "Chop Sipot Mas"

The plaintiffs initial *ex-parte* application for an injunction to restrain the defendant from infringing their trade mark and from passing off goods and other ancillary orders thereto inclusive of an Anton Pillar order was granted and subsequently extended twice.

The plaintiffs contended that the defendant's trade mark was substantially similar, if not identical to theirs. In consequence, they alleged an infringement of their trade mark and an act of passing off.

Held:

[1] The defendant's trade mark and get up is substantially similar to that of the plaintiffs. However there are serious issues to be tried as the defendant challenges the plaintiffs' current trade mark as not being the original one registered by them.

[2] In determining whether damages will be an adequate remedy,the Court would have to assess the balance of convenience.ln this case,the disadvantage to the plaintiffs if the injunction is not granted outweighs that to the defendant if the same is granted.The balance of convenience thus favours the preservation of the *status quo* and therefore the injunction must remain in force until the conclusion of the trial.

[Order in terms of the application,subject to the plaintiffs' undertaking as to damages].

Cases referred to:
M.l. & M Corporation & Anor v. A.Mohamed Ibrahim [1964] 30 MLJ 392 ***(foll)***
American Cynamid v Ethicon [1975] AC 396 ***(refd)***
Atheletes Foot Marketing Associates Inc. v. Cobra Sports Ltd & Anor [1980] RPC 343 ***(dist)***
Home Box Office Inc. v. Channel 5 Home Box Office Ltd. [1982] FSR 449 ***(foll)***

Legislations reffered to:
Trade Marks Act 1976, s. 38

For the plaintiffs - Yeoh Suat Gait M/s. Ram Rais & Partners
For the defendant - Harjit Singh M/s. Harjit Sandhu & Co.

JUDGMENT

Ranita Hussein JC:
This is an application by the plaintiff for an injunction to restrain the defendant from infringing the plaintiffs' trade mark and from passing off goods, namely sarongs, not being the plaintiff's goods, as the sarongs of the plaintiffs until the date of the trial. Other ancillary orders in the nature of Anton Pillar were also asked for.

The injunction and orders were granted by the Court on an *ex-parte* application on 7 December 1993. Subsequently, the injunction was twice extended with an order for the plaintiff's application to be heard *inter-partes* on 10 May1994.

It was clearly evidenced at the hearing on 10 May 1994 that the plaintiffs are the registered proprietors of the trade mark "CHOP SIPOTH" in relation to their trade in sarongs and hold such proprietary right for a period of 14 years with effect from 10 August 1989. Over the years the plaintiffs have established a substantial reputation in their trade mark and get-up.

It is not clear when the defendant entered the sarong market. However it was undisputed he had so entered recently, and despite the plaintiffs having published warning notices against the use of its trade mark and get-up between January and March 1993, the defendant applied on 19 March 1993 for the registration of the trade mark "CHOP SIPOT MAS",for his sarongs. This trade mark, contend the plaintiffs, is substantially similar, if not identical to the plaintiffs' trade mark. As such, the plaintiffs allege that the defendant has infringed their trade mark by using a label or mark "so nearly resembling it as to deceive or cause confusion in the course of trade" in relation to the plaintiffs' sarongs, within the meaning of s. 38 of the Trade Marks Act 1976. The plaintiffs further allege that the defendant is guilty of the act of passing off in that he has used a deceptive get-up for his sarongs which is calculated to lead and has in fact led to deception and to the belief by, especially the illiterate members of the public, that the defendant's sarongs are the plaintiffs' sarongs.

The plaintiffs' trade mark consists of an outer rectangular border and an inner rectangle containing two diamond shaped frames with a snail device lying horizontal in the inner diamond shaped frame. The words "Malaya Pulicat Coy Madras Singapore" and "No. 1. No. 1 Registered Trade Mark" and "Made in India" appear in the vicinity of the outer diamond shaped frames. The trade mark "CHOP SIPOTH" is printed in block letters across the top of the outer rectangular border. To the left and right of the border, are Tamil and Jawi transliterations respectively of "Gangu Mark Kailee" (snail mark sarong) and "Cop Siput". The colours used in the trade mark are pink, green, yellow and red with gold rectangular borders.

Despite the defendant's arguments that there is no resemblance in the plaintiffs' trade mark and the defendant's mark whether in the phonetic or visual sense or in the basic ideas represented, I find that the defendant's use in its label of the words, "Cop Siput Mas" the adoption of an outer rectangle and an inner rectangle with a diamond shaped frame containing a snail device (*albeit* lying in a vertical instead of a horizontal position) together with the other words used *viz* "C.S.S. Pulicat Malaysia Madras", "No. 1, No. 1 Registered Trade Mark" and "Made in India" as well as the use of brighter shades of the same colours which appear in the plaintiff's label, contribute to a substantial similarity in the two marks and get-ups.

In *M.I. & M. Corporation & Anor.* v. *A. Mohamed Ibrahim* [1964] 30 MLJ, 392, it was held:

> the test to be applied is whether a person who sees the one trade mark in the absence of the other trade mark and in view only of his general recollection of what the nature of the other trade mark was, would be liable to be deceived and to think that the trade mark is the same as the other of which he has a general recollection. This recollection test is to be applied having regard to the sort of people who would buy the goods and the circumstances in which they buy.

In this case, the plaintiffs averred the fact, which was not disputed, that traders of the 'kain pulikat' sarong were small traders and the sarongs (which, were of indiscriminate designs) were sold in crowded bazaars, where the sarongs were stacked together in plastic wrappers with labels stuck on them. In the circumstances, the likelihood of confusion in relation to the two trade marks and get-ups used was very great.

The defendant's arguments generally centre on such parts of his label as contain dissimilar features compared with the plaintiff's label. He further essays a challenge against the current mark used by the plaintiffs as not being the original trade mark registered by them.

In my view there is a serious question to be tried. In relation to the ensuing principles laid down in the *Cyanamid* case, the defendant submits that where cases involve restraint of trade, *American Cyanamid v. Ethicon* [1975] AC 396 does not apply and the merits of the case must be taken into account. The case of *Athletes Foot Marketing Associates Inc. v. Cobra Sports Ltd. & Ano*r. [1980] RPC 343 was relied on for this submission. However, I am inclined to agree with the distinction made by Peter Gibsin J. in *Home Box Office Inc. v. Channel 5 Home Box Office Ltd*. [1982] FSR 449, who stated as follows:

> *N.W.L. Ltd. v. Woods* [1979] 1 WLR 1294 .. laid down that it was appropriate to consider the degree of likelihood of a permanent injury being granted, where the grant or refusal of an interlocutory injunction would dispose of the action finally, there being nothing left on which it would be in the interest of the unsuccessful party to proceed to trial. The *Athletes Foot* case was an illustration of the application of that principle, all the relevant facts being virtually undisputed. But I cannot see that the present is such a case. There are relevant facts in dispute, and I do not see that the grant or refusal of the injunction, whichever way it goes, will mean the end of this action.

Similarly, in this case there are relevant facts in dispute and having found that there is a serious question to be tried it remains for me to consider whether damages is an adequate remedy for the parties and assess the balance of convenience. In many instances these two questions are intertwined. The plaintiffs tendered evidence showing that over their years of business they had established a substantial business with a large sales value. The business is based on the substantial reputation in the plaintiffs' trade mark and get-up. In my view, if the defendant were to continue selling sarongs using a mark substantially similar to the plaintiffs' trade mark at a price lower than the plaintiffs' sarongs, the circumstances are such that the defendant can be expected to penetrate the market and to successfully ride on the plaintiffs' goodwill to the substantial detriment of the plaintiffs' business, the extent of which injury would not be easily quantified in damages if the plaintiffs were to succeed at the trial.

The disadvantage to the plaintiffs if the injunction is not granted in the sense of substantial and unquantifiable injury to its established goodwill far outweighs the disadvantage to the defendant if the injunction is granted in the sense that the injury to him would, in the main, just be one of delay in proceeding with his yet to be established business. In this case, therefore, the balance of convenience favours the preservation of the *status quo* and I would allow the continuance of the injunction until the conclusion of the trial.

I accordingly grant the order in terms of the application, subject to the plaintiff's undertaking as to damages.